

CONFIDENTIAL

NON-PUBLIC

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 13F
FORM 13F COVER PAGE

13FCONP

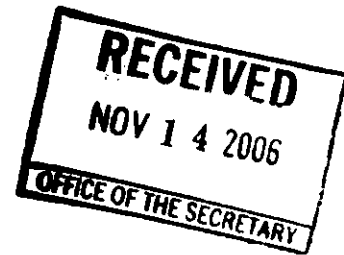
11/02/07

Report for the Calendar Year or Quarter Ended: September 30, 2006

Check here if Amendment [] ; Amendment Number: _____
This Amendment (Check only one.): [] is a restatement.
[] adds new holdings entries.

Institutional Investment Manager Filing this Report:

Name: DOLPHIN LIMITED PARTNERSHIP III, L.P.
Address: 156 West 56th Street, Suite 1203
New York, New York 10019



Form 13F File Number: ~~28-4247~~ 11984

The institutional investment manager filing this report and the person by whom it is signed hereby represent that the person signing the report is authorized to submit it, that all information contained herein is true, correct and complete, and that it is understood that all required items, statements, schedules, lists, and tables, are considered integral parts of this form.

Person Signing this Report on Behalf of Reporting Manager:

Name: Justin A. Orlando
Title: Managing Director
Phone: (212) 488-1590

CONFIDENTIAL TREATMENT EXPIRED

Signature, Place, and Date of Signing:

[Signature]

Stamford, CT
[City, State]

11/09/2006
[Date]

Report Type (Check only one):

- [X] 13F HOLDINGS REPORT. (Check here if all holdings of this reporting manager are reported in this report.)
- [] 13F NOTICE. (Check here if no holdings reported are in this report, and all holdings are reported by other reporting manager(s).)
- [] 13F COMBINATION REPORT. (Check here if a portion of the holdings for this reporting manager are reported in this report and a portion is reported by other reporting manager(s).)

List of Other Managers Reporting for this Manager:
[If there are no entries in this list, omit this section.]

Form 13F File Number

Name

28- _____

PROCESSED

APR 02 2008

THOMSON
FINANCIAL



FORM 13F SUMMARY PAGE**Report Summary:**

Number of Other Included Managers: 2

Number 13F Information Table Entry Total: 13

Form 13F Information Table Value Total: \$12,436 (thousands)

List of Other Included Managers:

Provide a numbered list of the name(s) and Form 13F file number(s) of all institutional investment managers with respect to which this report is filed, other than the manager filing this report.

No.	Form 13F File Number	Name
1	<u>28-11255</u>	<u>Dolphin Holdings Corp.</u>
2	<u>28-11256</u>	<u>Donald T. Netter</u>

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9/30/2006
 FORM 13F INFORMATION TABLE
 Dolphin Limited Partners III, L.P.
 CONFIDENTIAL

	Name of Issuer	Title of Class	Cusip	Value (x\$1000)	Shares / Prn Amt	Sh / Prn	Put / Call	Invsymt Discretn	Other Managers	Sole	Shared	None
1	AZTAR CORPORATION	COM	054802103	1325	25000			DEFINED	2	1325		
2	BAIRNCO CORP	COM	057097107	394	32793			DEFINED	2	394		
3	DHB INDUSTRIES INC	COM	23321E103	326	118376			DEFINED	2	326		
4	DELTA AND PINE LAND COMPANY	COM	247357106	875	21600			DEFINED	2	875		
5	FREESCALE SEMICONDUCTOR INC	CL B	35687M206	950	25000			DEFINED	2	950		
6	GIANT INDS INC	COM	374508109	1112	13700			DEFINED	2	1112		
7	GOLD KIST INC	COM	380614107	521	25000			DEFINED	2	521		
8	HCA INC	COM	404119109	1247	25000			DEFINED	2	1247		
9	INTERGRAPH CORP	COM	458683109	1072	25000			DEFINED	2	1072		
10	KINDER MORGAN INC	COM	49455P101	1573	15000			DEFINED	2	1573		
11	KEYSPAN CORPORATION	COM	49337W100	1029	25000			DEFINED	2	1029		
12	ARAMARK CORP	CL B	038521100	986	30000			DEFINED	2	986		
13	UNIVISION COMMUNICATION INC	CL A	914906102	1027	29900			DEFINED	2	1027		
				12436						12436		

END